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SENATE BILL 324

46TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2004

INTRODUCED BY

John Arthur Smith

AN ACT

RELATING TO HEALTH PROFESSIONALS; PROVIDING TAX EXEMPTIONS FOR CERTAIN STIPENDS AND AWARDS; PROVIDING FOR DESIGNATION OF AREAS OF ACUTE SHORTAGE OF HEALTH PROFESSIONALS; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Income Tax Act is enacted to read:

"[NEW MATERIAL] EXEMPTION--HEALTH PROFESSIONAL--STIPENDS AND LOAN AWARDS.--Stipends received pursuant to the Health Service Corps Act and awards received pursuant to the Health Professional Loan Repayment Act are exempt from taxation."

Section 2. A new section of the Gross Receipts and Compensating Tax Act is enacted to read:

"[NEW MATERIAL] EXEMPTION--GROSS RECEIPTS TAX--HEALTH

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1 PROFESSIONAL--STIPENDS AND LOAN AWARDS.--Exempted from the
2 gross receipts tax are stipends received pursuant to the Health
3 Service Corps Act and awards received pursuant to the Health
4 Professional Loan Repayment Act."

5 Section 3. Section 21-1-26.8 NMSA 1978 (being Laws 1995,
6 Chapter 144, Section 1) is amended to read:

7 "21-1-26.8. HEALTH PROFESSION ADVISORY COMMITTEE--
8 CREATED--DUTIES.--

9 A. The "health profession advisory committee" is
10 created to advise the commission on higher education on matters
11 relating to the administration of student loan programs for
12 health professionals. [~~The health profession advisory
13 committee replaces the medical shortage area committee.~~]

14 B. The health profession advisory committee shall
15 be composed of a representative of the department of health; a
16 representative of the New Mexico health policy commission; and
17 representatives of public post-secondary health and medical
18 training programs, underserved health and medical area
19 providers, recruiting and placement organizations and
20 professional health and medical associations. Members shall be
21 appointed by the commission on higher education pursuant to the
22 policies and procedures of the commission.

23 C. The health profession advisory committee shall:

24 (1) designate health professional shortage
25 areas and acute shortage areas of the state;

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1 (2) designate those fields of specialization
2 within the practice of medicine in which the state is suffering
3 an acute shortage;

4 ~~(2)~~ (3) make recommendations to the
5 commission on higher education on applicants for medical,
6 osteopathic, nursing and allied health loan for service
7 programs and loan repayment programs; and

8 ~~(3)~~ (4) give advice or other assistance to
9 the commission as requested."

10 Section 4. Section 21-22D-3 NMSA 1978 (being Laws 1995,
11 Chapter 144, Section 18) is amended to read:

12 "21-22D-3. DEFINITIONS.--As used in the Health
13 Professional Loan Repayment Act:

14 A. "commission" means the commission on higher
15 education;

16 B. "health professional" means a ~~[primary care]~~
17 physician, optometrist, podiatrist, physician's assistant,
18 dentist, nurse, member of an allied health profession as
19 defined in the Allied Health Student Loan for Service Act or a
20 licensed or certified health professional as determined by the
21 commission; and

22 C. "loan" means a grant of money to defray the
23 costs incidental to a health education, under a contract
24 between the federal government or a commercial lender and a
25 health professional, requiring either repayment of principal

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1 and interest or repayment in services."

2 Section 5. Section 21-22D-4 NMSA 1978 (being Laws 1995,
3 Chapter 144, Section 19) is amended to read:

4 "21-22D-4. COMMISSION POWERS AND DUTIES--PARTICIPANT
5 ELIGIBILITY--QUALIFICATIONS.--

6 A. The commission may grant an award to repay loans
7 obtained for health [~~educational~~] education expenses of a
8 health professional upon such terms and conditions as may be
9 imposed by regulations of the commission.

10 B. Applicants shall be licensed or certified to
11 practice in New Mexico as health professionals and shall be
12 bona fide citizens and residents of the United States and of
13 New Mexico. Applicants shall declare their intent to practice
14 as health professionals within designated health professional
15 shortage and acute shortage areas of the state.

16 C. The commission shall make a full and careful
17 investigation of the ability, character and qualifications of
18 each applicant and determine fitness to become a health
19 professional in the health professional loan repayment program.

20 D. The commission shall assist selected health
21 professionals in locating practice positions in designated
22 health professional shortage and acute shortage areas."

23 Section 6. Section 21-22D-10 NMSA 1978 (being Laws 1995,
24 Chapter 144, Section 25) is amended to read:

25 "21-22D-10. REPORTS.--The commission shall make annual

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1 reports to the governor and to the legislature, prior to each
2 regular session, of its activities, the loan repayment awards
3 granted, the names and addresses of loan repayment award
4 recipients, the names and locations of the practices of those
5 health professionals who are serving in a designated health
6 professional shortage or acute shortage area of the state
7 pursuant to the Health Professional Loan Repayment Act and the
8 name of each loan repayment award recipient who is not serving
9 in a designated health professional shortage or acute shortage
10 area, the reason the person is not serving and the amount owed
11 and paid on the loan and loan repayment award."

12 Section 7. APPROPRIATION.--Five hundred thousand dollars
13 (\$500,000) is appropriated from the general fund to the health
14 professional loan repayment fund for expenditure in fiscal year
15 2005 and subsequent fiscal years for granting awards to repay
16 loans pursuant to the Health Professional Loan Repayment Act.
17 Any unexpended or unencumbered balance remaining at the end of
18 a fiscal year shall not revert to the general fund.

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